

# Indiana Office of Energy Development



## GUIDELINES FOR THE INDIANA SOLAR THERMAL GRANT PROGRAM

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## **INDIANA SOLAR THERMAL GRANT PROGRAM GUIDELINES**

The Indiana Office of Energy Development (OED) is pleased to offer \$150,000 through the Indiana Solar Thermal Grant Program (IST). The IST grant program will provide cost share grants to Indiana's public, non-profit, and business sectors for the purchase and installation of solar water heating systems that will help offset fossil fuel usage and create jobs. Solar energy systems make use of non-fossil fuel resources to produce clean, home-grown thermal energy for heating water. In a time of rising energy costs and increased energy supply volatility, it is vital to our economic future to diversify the portfolio of resources we use to produce energy.

The purpose of this grant program is to increase awareness and utilization of solar thermal energy resources as well as to create vocational opportunities for Hoosiers interested in renewable energy. Program data will be used to gather additional information on the economic viability of solar thermal energy in Indiana.

### **APPLICATION TIMELINE**

Please pay close attention to the dates set forth below. It is important to note that if awarded, the project must begin after award notification and all grant funds must be expended by **April 30, 2011**. The project must also be installed and fully operational by that time.

<b>July 1, 2010</b>	-IST Grant Program announced and guidelines posted to OED website
<b>August 1, 2010</b>	-Application period opens
<b>September 1, 2010</b>	-Applications must be received by OED
<b>September 10, 2010</b>	-E-mail confirmation will be sent to each applicant verifying that the application has been received
<b>September 21, 2010</b>	-Notification of each applicant's award or denial will be sent via e-mail and a letter will be mailed out as well. Project can begin at applicant's risk <b><u>Work on the project such as ordering the equipment and obtaining zoning variances etc. should start at this time.</u></b>
<b>October 1, 2010</b>	-Grant agreements will be generated and mailed by this date
<b>October 22, 2010</b>	-Signed grant agreements must be returned to OED
<b>January 1, 2011</b>	-Any issues regarding zoning, permitting, or environmental review must be resolved. If not, OED must be informed of the issue and progress
<b>January 15, 2011</b>	-First quarterly report is due from grantees. Reporting will continue through grant expiration (January-April-July-October)
<b>April 30, 2011</b>	-All grant money must be expended, project construction/installation must be completed, and project must be fully operational
<b>December 31, 2012</b>	-Grant agreement expires
<b>January 31, 2013</b>	-Final report is due

## ELIGIBILITY

Eligible applicants include entities from Indiana's public, non-profit, and business sectors who consume more than 100,000 gallons of hot water each year. **Applications from the residential sector (homeowners) are not eligible for grant funding.** Each applicant is required to show proof of the previous year's water bills and a general description of the activities on site that require hot water or direct energy monitoring data from their hot water tanks. Most hot water consumers do not have monitoring equipment directly attached to their tanks, so some inferences will be made by OED staff from the data supplied to reasonably assure that the hot water threshold has been met. Projects must be located a reasonable distance from any obstructions such as trees and adjacent buildings which would limit the ability of the system to perform. **Applicants must indicate that the contractor is a licensed plumber in the State of Indiana or will be utilizing a licensed plumber for the plumbing component of the project.** A list of licensed plumbers can be found at the Indiana Professional Licensing Agency's web site: [www.in.gov/pla/license.htm](http://www.in.gov/pla/license.htm). Only projects with commercially available technologies will be considered. Projects must be located in Indiana and all entities must register to do business with the Indiana Secretary of State if that is a requirement for the entity in question. You can find the form via the website below which must be completed and submitted to the Indiana Secretary of State along with the filing fee. Proof of registration must also be uploaded with the application: To register, please visit <http://www.in.gov/sos/business/> or contact the Indiana Secretary of State, Business Services Division (317) 232-6581 for information on how to register to do business in Indiana.

### Evaluation Criteria

The following criteria will be evaluated when OED is scoring the IST applications: job creation, ability to start the project and install the alternative energy system within the timeframe specified by this document, amount of energy produced per dollar spent, and environmental benefit. Particular emphasis will be placed on the following:

- \*Energy fuel source being replaced
- \*System sized to scale for the system application
  - projects should not be oversized simply for the marketing benefit of the system (we are looking for systems that provide strong economic value)
  - should be based on strong estimates of hot water consumption and solar insolation for your site (use [www.infinitepower.org/calc\\_waterheating.htm](http://www.infinitepower.org/calc_waterheating.htm) for assistance)
- \*Amount of hot water usage
  - benefit given to projects which have a large amount of water heating needs
- \*North American Board Certified Energy Practitioners (professional body certifying renewable energy professionals – [www.nabcep.org](http://www.nabcep.org))
  - priority status given to certified installers of the solar system
- \*Length and type of warranty for the equipment and the installation
  - applicants should look for a manufacturer's warranty in the range of 7-10 years as well as a minimum one-year warranty from the installer to cover the installation
- \*Impact to the Indiana economy
  - benefit given to those projects which utilize Indiana equipment and contractors
- \*Freeze and overheat protection with pressure relief
- \*Educational component
  - although not required, those projects which can showcase that they are educating the general populous through this project will receive higher marks during OED evaluation
- \*System control for applicant
- \*Limited shade to system

-no system should receive less than 85% of the sun's potential between the hours of 9:00 am and 4:00 pm as a result of shaded conditions at the site of installation

\*Efficient surface orientation

The applicant shall be responsible for conducting any research required to determine the environmental impact of their project prior to the application submission. If there are any real or perceived adverse environmental impacts anticipated, the applicant must address these issues within the application. **A monitoring system must be included in the project in order for grantees to track the amount of energy generated by the system. Each applicant must indicate that water flow and energy output are going to be tracked. Specific mention must be made regarding the type of equipment being used. Applicants that do not include the cost of a monitoring system and do not plan to implement the monitoring system as soon as the project is operational will be denied funding.**

#### Costs

Equipment and installation costs directly related to the installation of an alternative energy system are considered eligible expenses. Grantees must report to OED immediately if their budget changes with a rationale for the change. Eligible costs and cost-share must occur during award notification through April 30, 2011 time period. **This means that projects that begin before award notification or that will not be completed by April 30, 2011 are not eligible for grant funding.**

#### ***GRANT AMOUNTS AND COST SHARE***

Grant amounts and cost share will be determined based on the following formulas. The grant can reimburse up to 25% of project costs up to a maximum award of \$25,000 per project. All projects are expected to provide at least 75% cost share. A \$100,000 system is the largest system that can receive 25% funding. Larger systems can be funded, but additional capacity will not be subsidized.

Depending on the quality of the applications received, OED may award smaller grant amounts than expected to projects that fit into the above categories. Applicants awarded partial funding may not appeal the decision made by OED. The applicant has one week from original notification of award to inform OED of refusal of funds. Failure to notify OED of the refusal of funds awarded within one week of award notification will result in the applicant becoming ineligible for further evaluation of funding for the IST program. Grantees shall immediately report to OED if their proposed activities, scope, or budget changes with a rationale for the change.

\*The applicant is responsible for the investigation/procurement of all relevant local permits as well as any environmental review needed prior to conducting the project.

#### **Additional information requests**

OED may request additional information after submission from an applicant to help evaluate an application. An applicant's failure to adequately address the request for additional information will likely result in the applicant being denied funding.

#### **National Environmental Policy Act (NEPA)**

All projects receiving financial assistance from DOE must be reviewed under the National Environmental Policy Act of 1969-42 U.S.C. Section 4321 et seq. All awards are limited to solar

thermal hot water projects that are appropriately sized for small buildings. OED reserves the right to request additional information at any time after the initial application has been submitted.

## TERMS

Grants are only available for eligible applicants. Matching funds are required for this grant program. OED reserves the right to award none of the funding allotted (\$0) to all of the funding allotted (\$150,000), depending on the quality and eligibility of applications. Funds cannot be drawn down until there is an executed grant agreement (contract). **The funds must be used by April 30, 2011 and the project must be installed and operational. All grants from OED are on a reimbursement basis only. There is no advance payment in this grant program due to the funding source origination.**

Funds may be used in conjunction with other financing programs; however, the Grant funds may only be used for the purchase and installation of alternative energy systems covered in the contract. Recipients must disclose all federal awards received per year. **Federal funds cannot be used as applicant cost share.** Any grantee expending Five Hundred Thousand Dollars (\$500,000) or more in federal awards per year must have an audit made for that year by an independent auditor. Non-profit organizations, institutions of higher education, and local governments should consult the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" for guidance.

## GRANTEE RESPONSIBILITIES

### *Reporting Requirements*

All reporting will be via email so an email address that is monitored regularly as well as a reliable internet connection is necessary to being awarded IST funds. Please be aware that the internet can be accessed for free at your local library. Quarterly reporting will commence January 2011 and will end with a final report in January 2013. The report will detail activities/results such as timelines, budget information including grant monies received, funds leveraged, energy saved, energy cost savings, jobs created or retained, type of jobs created or retained, duration of jobs, greenhouse gas emissions reduced, criteria air pollutants reduced, and a narrative on the project's progress. These results/activities are provided to OED by the grantee in the form of Quarterly Reports which are due to OED within 15 days of the quarter's end. The quarters run from January-March, April-June, July-September, and October-December. The final report will summarize all aspects of the project for the entire grant term. The reports will be used to track progress made by the grantee as well as used to report to the U.S. Department of Energy. Please see the table below for a list of reporting requirements:

Job creation and retention
Funds leveraged
Size of solar energy systems installed
Amount of energy generated (in kW or Btus)
Amount of projected energy savings
Annual reduction in natural gas (mmcf) or electricity (kWh) consumption
Greenhouse gases emissions reduction-tons (CO2 equivalents)
Criteria Air Pollutants reduction in tons (CO2 equivalents)
Hot water consumption (gallons)

Failure to comply with the reporting requirement by report tardiness or failure to provide

sufficient information may result in repayment of the grant funds as well as affect the viability of any future applications from the grantee. **Please consider the reporting requirement seriously before application submission to ensure your ability for compliance.**

#### *Maintain Communication*

The grantee shall maintain communication with the Office of Energy Development for the duration of the Grant Agreement. The grantee is obligated to report any changes in the project scope, budget, installation date, etc. with OED as soon as they become aware of the changes.

**Failure of the grantee to report any changes in the activities, scope, reporting contact, or budget of their project once awarded constitutes a breach of contract on the part of the grantee and will jeopardize the receipt of grant monies.** The grantee shall acknowledge the financial support of OED by displaying the logo of OED on any webpage, media, or printed materials that mention the project.

#### *Site Visits*

Grantee shall allow OED to conduct project site visits when given (5) business days notice.

While the above terms and responsibilities are not exhaustive and intended to substitute for the grantee reading and understanding the contract between their entity and the State of Indiana, they are a good example of the kinds of behavior and deliverables expected by OED and the U.S. Department of Energy.

### **GRANT APPROVAL**

OED administers the IST Grant Program and will review and score all grant applications. All grant applications submitted will compete against one another for grant funding. If the applicant is approved by OED, a grant agreement will be drawn in order to establish the terms of the grant and other conditions needed to manage the grant. Please see the above section entitled “Grantee Responsibilities” for further information on terms and conditions needed to manage the grant. Upon award notification, OED expects grantees to immediately begin their project by ordering equipment associated with the project as well as preparing the site of the project and obtaining any relevant permits or variances necessary for project installation to be completed. Waiting until the executed contract is returned to start project activities can significantly delay your project. Delay in contract execution is not an allowable reason for a grantee’s failure to complete project installation by the deadline stipulated in the contract. Awardees will only have thirty (30) days to sign and return the grant agreement to OED. Once returned, it will begin the State signature process. Upon completing the State signature process, the grantee may draw down on grant funds as the project is completed.

### **CONFIDENTIALITY OF INFORMATION**

To the extent feasible and permissible by law, the Office of Energy Development (OED) will honor an applicant’s request that confidential information submitted to OED will remain confidential. OED will treat information as confidential only if: (i) the information is, in fact, protected confidential information such as trade secrets or privileged or confidential commercial or financial information; (ii) the information is specifically marked or identified as confidential by the applicant; (iii) the information is segregated and placed in a separate appendix to the application; and (iv) no disclosure of the information is required by law or judicial order. If the application results in award of a grant, the honoring of confidentiality of identified data shall not limit the right of OED to disclose the details and results of the grant to the general public.

## **INDEMNIFICATION**

To the extent allowable by law, Applicant agrees to indemnify, defend, and hold harmless the State, its agents, officials, and employees from all claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission associated with the submission of this application. The State shall **not** provide such indemnification to the applicant.